

1-1 By: Lucio S.B. No. 460  
 1-2 (In the Senate - Filed January 11, 2017; February 6, 2017,  
 1-3 read first time and referred to Committee on Intergovernmental  
 1-4 Relations; April 3, 2017, reported adversely, with favorable  
 1-5 Committee Substitute by the following vote: Yeas 7, Nays 0;  
 1-6 April 3, 2017, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			

1-16 COMMITTEE SUBSTITUTE FOR S.B. No. 460 By: Lucio

1-17 A BILL TO BE ENTITLED  
 1-18 AN ACT

1-19 relating to general obligation bonds issued by political  
 1-20 subdivisions.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Section 4.003(f), Election Code, is amended to  
 1-23 read as follows:

1-24 (f) A debt obligation election order required under Section  
 1-25 3.009 shall be posted:

1-26 (1) on election day and during early voting by  
 1-27 personal appearance, in a prominent location at each polling place;

1-28 (2) not later than the 21st day before the election, in  
 1-29 three public places in the boundaries of the political subdivision  
 1-30 holding the election; and

1-31 (3) during the 21 days before the election, on the  
 1-32 political subdivision's Internet website, prominently and together  
 1-33 with the notice of the election, ~~and~~ the contents of the  
 1-34 proposition, and any sample ballot prepared for the election, if  
 1-35 the political subdivision maintains an Internet website.

1-36 SECTION 2. Section 85.062, Election Code, is amended by  
 1-37 adding Subsection (h) to read as follows:

1-38 (h) In an election at which a political subdivision submits  
 1-39 a proposition to the voters to approve the issuance of general  
 1-40 obligation bonds, the entity that establishes early voting polling  
 1-41 places under this section may not establish the polling places with  
 1-42 the intent to affect the outcome of the election.

1-43 SECTION 3. Subtitle C, Title 9, Government Code, is amended  
 1-44 by adding Chapter 1253 to read as follows:

1-45 CHAPTER 1253. GENERAL OBLIGATION BONDS ISSUED BY POLITICAL  
 1-46 SUBDIVISIONS

1-47 Sec. 1253.001. DEFINITION. In this chapter, "political  
 1-48 subdivision" means a county, municipality, school district, junior  
 1-49 college district, other special district, or other subdivision of  
 1-50 state government.

1-51 Sec. 1253.002. LIMITATION ON AUTHORITY TO ISSUE GENERAL  
 1-52 OBLIGATION BONDS. (a) In this section, "improvement" and  
 1-53 "personal property" have the meanings assigned by Section 1.04, Tax  
 1-54 Code.

1-55 (b) Notwithstanding any other provision of law, a political  
 1-56 subdivision may not issue general obligation bonds to purchase,  
 1-57 improve, or construct improvements or to purchase personal property  
 1-58 if the weighted average maturity of the issue of bonds to finance  
 1-59 the improvements or personal property exceeds 120 percent of the  
 1-60 reasonably expected weighted average economic life of the

2-1 improvements or personal property financed with the issue of bonds.  
2-2 Sec. 1253.003. USE OF UNSPENT GENERAL OBLIGATION BOND  
2-3 PROCEEDS. (a) A political subdivision may use the unspent  
2-4 proceeds of issued general obligation bonds only:  
2-5 (1) for the specific purposes for which the bonds were  
2-6 authorized;  
2-7 (2) to retire the bonds; or  
2-8 (3) for a purpose other than the specific purposes for  
2-9 which the bonds were authorized if:  
2-10 (A) the specific purposes are accomplished or  
2-11 abandoned; and  
2-12 (B) a majority of the votes cast in an election  
2-13 held in the political subdivision approve the use of the proceeds  
2-14 for the proposed purpose.  
2-15 (b) The election order and the notice of election for an  
2-16 election described by Subsection (a)(3)(B) must state the proposed  
2-17 purpose for which the bond proceeds are to be used.  
2-18 (c) A political subdivision must hold an election described  
2-19 by Subsection (a)(3)(B) in the same manner as an election to issue  
2-20 bonds in the political subdivision.  
2-21 SECTION 4. Chapter 1332, Government Code, is repealed.  
2-22 SECTION 5. Section 1253.002, Government Code, as added by  
2-23 this Act, applies only to a general obligation bond authorized to be  
2-24 issued at an election held on or after the effective date of this  
2-25 Act.  
2-26 SECTION 6. This Act takes effect September 1, 2017.

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